

Introduced by: Councilmember Snipper

First Reading: April 23, 2007  
Second Reading: April 30, 2007  
Effective Date: April 21, 2007

**CITY OF TAKOMA PARK**

**ORDINANCE NO. 2007-18**

**(An Ordinance Authorizing the City of Takoma Park to Enter Into an Agreement with Montgomery Housing Partnership, Inc. for a Payment in Lieu of Taxes for the Property at 8508-10 Flower Avenue)**

**WHEREAS**, Montgomery Housing Partnership, Inc., a nonprofit corporation purchased 8508-10 Flower Avenue, Takoma Park, Maryland on April 4, 2007; and

**WHEREAS**, the property currently provide affordable housing to residents with low and moderate incomes; and

**WHEREAS**, the Council supports the provision and protection of affordable housing in the City; and

**WHEREAS**, in order to ensure that Montgomery Housing Partnership, Inc. continues to serve low and moderate income residents, Montgomery Housing Partnership, Inc. will agree with the City that at least 81% of the apartments rented at the property will be occupied by low or moderate income households; and

**WHEREAS**, under Section 7-503(a) of the Tax-Property Article of the Annotated Code of Maryland, a nonprofit tax-exempt corporation that operates or manages rental housing that serves low-income households may be eligible under certain conditions to make a payment in lieu of taxes ("PILOT") on the real property; and

**WHEREAS**, Montgomery Housing Partnership, Inc. has represented that it qualifies under the provisions of Section 7-503 to enter into an agreement with the City to pay a negotiated amount in lieu of City real property taxes; and

**WHEREAS**, Montgomery Housing Partnership, Inc. has requested PILOT Agreement with the City that would provide for a full abatement of local property taxes for 8508-10 Flower Avenue for an initial five year period, a 75% abatement in the following three years, and a 50% abatement for the final two years of the ten year agreement; and

**WHEREAS**, the Council finds that this PILOT Agreement with Montgomery Housing Partnership, Inc. serves a public purpose and promotes the peace, health, and general welfare of the City and its residents by preserving affordable housing for residents with low and moderate incomes.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND, THAT** the Council approves a Payment in Lieu of Taxes (“PILOT”) Agreement with Montgomery Housing Partnership, Inc., its successors and/or transferees, for the property at 8508-10 Flower Avenue as follows:

- A. For the first five levy years following acquisition of 8508-10 Flower Avenue, Montgomery Housing Partnership, Inc. shall have a full abatement of real property taxes paid to the City; a 75% abatement of real property taxes paid to the City for the following three levy years; and a 50% abatement of real property taxes paid to the City for the final two levy years of the PILOT Agreement, and
- B. A minimum of 2 units at 8508-10 Flower Avenue shall be occupied by households at or below 30% of the Washington Metropolitan Statistical Area (WMSA) median; 3 units shall be occupied by households at or below 40% of the WMSA median; and 12 units will be occupied by households at or below 60% of the WMSA median. 4 units will be have unrestricted rents.
- C. The tax abatement shall be effective beginning with levy year 2007 (tax period July 1, 2007 - June 30, 2008).

The City Manager is authorized to enter into a PILOT Agreement on behalf of the City with Montgomery Housing Partnership, Inc., its successors and/or transferees, under the provisions of Section 7-503(a) of the Tax-Property Article of the Annotated Code of Maryland, for the property at 8508-10 Flower Avenue, Takoma Park, Maryland and to take such actions and execute such documents as are necessary in order to carry out the purposes of this Ordinance.

**Adopted by the Council of the City of Takoma Park this 30th day of April, 2007, by roll-call vote as follows:**

Aye: Porter, Austin-Lane, Barry, Clay, Seamens, Snipper, Williams  
Nay:  
Absent:  
Abstain: